

Excellence in Warfighting Support

by LtGen Richard L. Kelly & SES-1 David R. Clifton

'The war on terrorism does not supplant the need to transform DoD; instead, we must accelerate our organizational, operational, business, and process reforms.'

—Donald H. Rumsfeld,
Secretary of Defense

Introduction

The Marine Corps is a combat force—not a business. To be successful, however, we need *well-managed* business processes to assure the best possible support to the warfighter.

The Commandant of the Marine Corps (CMC) has directed his senior leaders to take bold and aggressive actions to implement business initia-

POM 06 Commandant's Programming Guidance

"The business of the Marine Corps is warfighting. Aggressively pursue Marine Corps business enterprise initiatives to improve end-to-end processes and ensure we effectively and efficiently allocate resources for continued warfighting excellence."

Figure 1.

tives because they are imperative to warfighting excellence. This article reviews what we have done and what we plan to do to achieve the CMC's guidance. (See Figure 1.)

Part of the need for bold and aggressive action is caused by the resource challenge we face. It is one facing all Federal agencies, namely, the expected competition with social services spending, especially for income security and health care. Simply put, more Americans are living longer, there are more of us expecting these services, and there are fewer of us paying for them. A recent war room report observed that by 2020, that percentage of the Federal budget consumed by entitlement

programs is expected to be double the 1980 percentage, rising to 78 percent by the year 2040. (See Figure 2.) Absent a significant restructuring of the way in which social services are funded, the Department of Defense (DoD), including the Marine Corps, will be continually pressured to "do more with less." As good stewards of public funds, we are, and will be, expected to operate the Corps as effectively and efficiently as possible with the fewest possible dollars.

The bottom line is that we must transform the way we get what our Operating Forces need for success in carrying out their missions. This transformation is so critical to the future warfighting capability of the Marine Corps that we must treat it as

the "deep battle." We must fight this relentless "resource war" simultaneously with real-world operations, including the global war on terrorism.

The Business Enterprise

Business transformation is about focus and concentration in resource allocation and about getting the most we can out of the dollars we are allotted. The fundamental purpose of this is to ensure our resources are focused on our highest priorities and that we avoid devoting unnecessary effort (or excessive means) to secondary efforts. This focus on concentration and efficiency is entirely consistent with our warfighting culture and the principle of war: economy of force. (See Figure 3.)

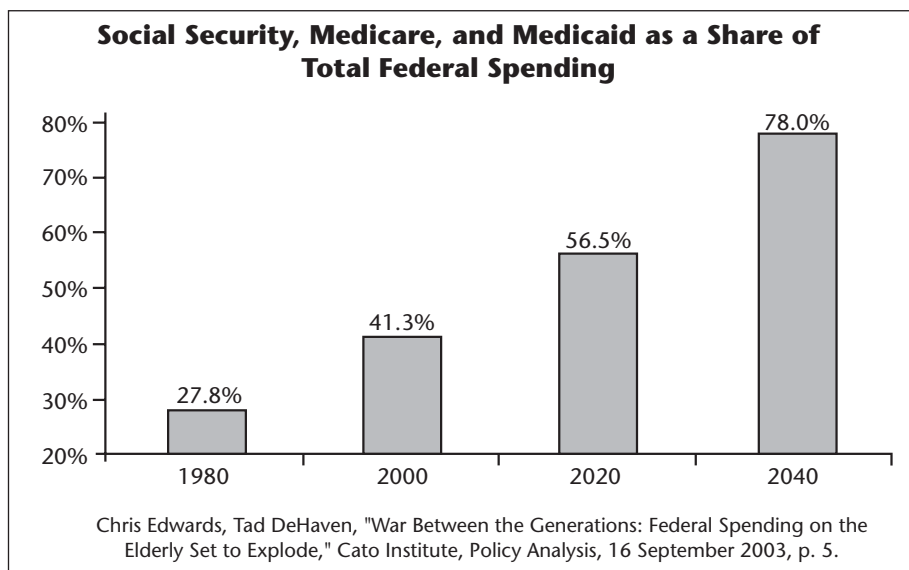


Figure 2.

Focus

"The willingness to focus at the decisive place and time necessitates strict economy.

"To devote means to unnecessary efforts or excessive means to necessary secondary efforts violates the principle of focus and is counterproductive to the true objective.

"Focus applies not only to the conduct of war but also to the preparation for war."

Marine Corps Doctrinal Publication 1 (MCDP 1), Warfighting

Figure 3.

To better understand and analyze how our resources are allocated, the "business enterprise" view of the Marine Corps is a process perspective not an organizational perspective. Any process involved in providing goods or services to the warfighter who does not routinely deploy is among those we will seek to transform. The objective is to improve overall effectiveness and efficiency through improved management of resources, installation operations, logistics/combat service support, acquisition, and training. (In a few cases, however, like basic or primary military occupational specialty training, not all of the process is within the business enterprise purview.)

Business Enterprise Goals

In addition to his guidance for aggressive business enterprise improvements contained in the program objective memorandum (POM), the CMC, along with the Chief of Naval Operations (CNO), committed to specific business enterprise goals as part of the Department of the Navy (DoN) plans for overall transformation. (See Figure 4.) These too demand improved business practices that free resources for warfighting capabilities.

While the goals are the same, the two Services differ in approach.

In the capital-intensive Navy, improving warfighting capability is largely about recapitalization—to find funding for the construction of new and replacement ships and maintaining the minimum number

of sailors necessary to do the job. To pay for these new, highly technical ships, the CNO's plan includes reduction in uniformed manpower. By designing, building, and deploying more modern vessels that require less manpower to operate, the Navy will be able to direct more firepower with fewer people while maintaining acceptable levels of readiness. Top Navy leadership is vigorously engaged in obtaining the necessary efficiencies across all organizations and levels of command through its Sea Enterprise Board of Directors.

In the people-intensive Marine Corps, on the other hand, improving warfighting capability is largely about improving the quantity and quality of Marines who man our Operating Forces. Quantity is improved by realigning Marines, especially first-term Marines, out of billets that do not require military skills. The Marine Corps' objective is to utilize Marines for the intended purpose for which each Marine is recruited and trained. Improving quality is about training and equipping. (Modernization in our Corps centers on improving the capability of the individual Marine and the combined arms team.

The resource challenge facing the Marine Corps differs from that facing the Navy. With over 60 percent of the Marine Corps' budget needed to pay Marines, freeing up dollars will take bold and aggressive effort and some risk-taking in every category of the remaining one-third of our budget—a step that the CMC has directed. On the other hand, with nearly one-third of our uniformed strength at any one time engaged in business support or other noncombat-related activities that do not require military skills, and that civilians or contractors could accomplish, there should be many opportunities to free up Marines.

But even freeing up Marines from within the business support activities won't be a piece of cake. Some are required in the Supporting Establishment for mission or manpower management reasons. However, that shouldn't include many, if any, first-term Marines, where we currently still assign them to nonmilitary duties, such

as support in the bachelor officers' quarters or gym or working in the base supply warehouse. These are not duties for Marines—except under unusual circumstances. This is not what Marines enlist to do. Furthermore, realigning just a small percentage of these Marines will reap great dividends in terms of combat capabilities. This realignment effort is crucial to mitigate impacts of high operating tempo that have caused extended Reserve activation and deployment of artillery battalions as provisional infantry.

Marine Corps Approach to Implementing Business Initiatives

Over the past year, the Marine Requirements Oversight Council (MROC) has made a series of decisions on how to implement the *Naval Power 21* long-range objectives.¹ It created a new office, led by a senior executive service official, to lead this effort. This organization, the Marine Corps Business Enterprise (MCBE) Office, is located in the Installations and Logistics (I&L) Department but works closely with the Deputy Commandant, Programs and Resources (DC P&R). The mission of the office is to *improve warfighting excellence through a never-ending commitment to perform business processes better, faster, and at lower cost*. Its primary focus is on improving business information,

Naval Power 21 Sea Enterprise Goals

- Rapidly implement business initiatives to free resources for warfighting capability.
- Identify and increase resources available to grow and sustain core combat capabilities.
- Improve business practices to achieve end-to-end capabilities in the most economical manner.
- Divest/disinvest in legacy systems and platforms no longer integral to mission accomplishment.
- Eliminate noncore functions that unnecessarily compete for resources.
- Increase scrutiny on current year fiscal operations.
- Critically and continually examine all aspects of the DoN to determine how to reap efficiencies across all headquarters, acquisition, research, Operating Forces, and field support activities.

Figure 4.

sharing best practices across the enterprise, assisting in the analysis and improvement of end-to-end processes, coordinating strategic sourcing activities, and providing for the training of Marines and civilian Marines in business skills and knowledge. (See Figure 5.)

Business Initiatives

Some improvements in business practices are initiated externally. Congress, Office of Management and Budget, and the Secretary of Defense and/or Navy each have ideas about improving how we do business. Their directed initiatives include privatization of utilities, competition of commercial activities with the private sector, and outsourcing of Navy and Marine Corps Intranet.

Other initiatives are generated internally within the Marine Corps. These may directly free up resources, may improve performance/quality of life within existing resources, or may provide the information to make smarter allocations decisions. In 1999, for instance, the Marine Forces and base commanders requested that the Assistant CMC implement activity-based costing across all installations in order to help gain a better understanding of the cost of installation products and services, without which we cannot adequately manage our installations.

There are a number of approaches we will use to achieve the Commandant's POM 2006 guidance:

- *Total force management.* The Marine Corps has three primary assets in our total force: Marines, civilian Marines, and our contract partners. Different skill sets are required to optimize each of the three. Systematic and long-term analysis of opportunities to realign Marines will be achieved through a military-civilian manpower working group that is being led by the DC, Manpower and Reserve Affairs (M&RA). Its objective is to realign Marines in billets that do not require military skills back into the Operating Forces. We must increase the quality of civilian Marine recruitment and professional development, especially in those skills needed to manage the Marine

MCBE Office Functions

- Provide standard business information in order to increase the visibility of cost and performance and improve the fact basis of decisions.
- Conduct benchmarking and best practice analyses to identify opportunities to reduce costs without reducing warfighting support.
- Initiate and coordinate business initiatives within the Marine Corps—end-to-end process reviews, sharing of ideas, and mitigation of impediments to change.
- Improve business skills and knowledge, particularly of our civilian Marines.
- Coordinate strategic sourcing and purchasing practices of the enterprise products and services.
- Propose strategic guidance and policy for the business enterprise.

Figure 5.

Corps' business. Finally, we must dramatically improve our capacity to frame and maintain relations with our contract partners by improving abilities in market research, development of work statements, and managing contract execution and contract customer liaison. Reducing cycle time and improving the quality of the process by which we acquire and integrate civilian and contract human resources into the total force are critical to the future success of our Corps.

- *Process analysis.* End-to-end analysis of business processes and organizational structures will be used to find ways to reengineer, regionalize, modify, simplify, and apply information technology across organizational and functional boundaries and is expected to occur at all levels of the Marine Corps. Leaders of this effort include acquisition process improvement led by the Commander, Marine Corps Systems Command (MarCorSys Com); logistics, combat service support, Marine Corps Logistics Command (MCLC) and installation management process improvement led by DC I&L; training process improvement led by the Commanding General, Training and Education Command; and resource process improvements, which are split be-

tween three leaders: DC P&R for financial assets, DC M&RA for human resource assets, and Director, Command, Control, Communications, and Computers (C4)/Chief Information Officer (CIO) for information technology assets.

- *Business information.* Business information is essential for effective resource allocation and fact-based decisions. Improved programming of readiness through a much more sophisticated understanding of the cost of outputs (goods and services) will be led by the MCBE in close coordination with DC P&R, advocates, and the program sponsors. The Marine Corps, like other world-class organizations, must improve the quality, standards, and availability of strategic business information to effectively command and control the business activities and to achieve, in Gen Alfred M. Gray's words, concentration of means on our primary ends (i.e., enhancing warfighting capability).

- *Removing impediments.* An intentional effort to remove impediments to innovation is a critical enabler of success. Those impediments may be organizational, financial, regulatory, and/or statutory. Removing impediments to innovations and sharing best practices are the responsibility of all individuals and organizations to ensure that we are continuously finding smarter, better ways to conduct business. The MCBE Office manages a small investment fund and coordinates regulatory and statutory relief for issues beyond local authority to resolve.

- *Divestiture and disinvestment.* Our existing inventory or platforms and systems must be reviewed in context of their continued contribution to the current and future mission of the Marine Corps. Some systems or platforms can be retired early or divested. We can disinvest or reduce the scope/quantity of others. The MROC created an Approved Acquisition Objective Integrated Product Team (AAO-IPT) led by Marine Corps Combat Development Command (MCCDC) to identify systems and platforms that are outdated, duplicative, or inconsistent with the

warfighting capabilities we need to support the 2015 Marine air-ground task force (MAGTF). Various sponsors are also involved in reducing redundant legacy information systems. The DC I&L, in coordination with MarCorSysCom and MCLC, has used the system realignment and categorization (SRAC) process. Navy Marine Corps Intranet (NMCI) led by the CIO has reduced software applications from over 8,000 to 1,300.

- *Improved command and control.* After a thorough review of its organizational arrangements for business transformation, the Navy has recently established a Commander, Naval Installations designed to streamline management of the shorebased facilities that support the fleet. Command and control of Marine Corps installations (which cost the Marine Corps over \$3 billion annually) is currently fragmented with inefficient, redundant, inconsistent and, too often, ineffective processes and lines of communications being employed. The senior Marine Corps leadership has directed consideration of an improved course of action that will result in more effective and efficient operational support to the MAGTF from our bases and installations. As stated in *MCDP 6*, "No essential warfighting activity, or any others, would be possible without effective command and control."

- *Partnerships.* We are able to establish a variety of relationships with commercial firms, academia, and other public and private agencies to accomplish common goals and objectives. We have, for example, created an outstanding relationship with universities like North Carolina and Penn State to provide advanced training in business skills for our senior officers and civilian Marines. Over the past 4 years, 90 of our installation commanders and chiefs of staff have attended a 1-week course at Penn State. We are partnering with industry to provide better family housing and garrison food service, and we are partnering with local jurisdictions and landowners to provide encroachment protection for our bases and installations.

Results to Date

Using these techniques we have already been able to identify better, more cost-effective ways to conduct business operations and free up resources.

- Since 1999, installation commanders have reduced costs by \$100 million each year through successful implementation of competitive sourcing and activity-based cost management.

- Various efforts, coordinated by M&RA and MCCDC (Total Force Structure Division), have identified 4,393 uniformed Marines for realignment to the Operating Forces.

- The MCCDC-led AAO-IPT has reviewed about 400 procurement items, is restructuring 189, and is retiring/divesting 99 (thus avoiding approximately \$1.2 billion in future costs and realizing \$90 million in actual savings).

- The DC I&L has coordinated the reduction of maintenance echelons from five to three.

- The SRAC has retired 36 legacy systems to date, and targeted another 20 for near-term retirement.

- The NMCI implementation process has reduced the number of software applications by 6,700.

- By fiscal year 2007 we will have dramatically increased the quality of life for our Marines and their families by privatizing 95 percent of all family housing.

- The DC P&R has examined disbursing in order to ensure consistent, effective, and efficient service to the warfighter.

- The Director of Intelligence has taken extraordinary steps to realign Marines within existing assets to meet the changing intelligence requirement.

- The aviation campaign plan led by DC, Aviation has reduced flying hours by over 40 percent since 1996 without compromising mission readiness, thereby preserving airframes and reducing costs dramatically.

- The DC I&L outsourced garrison food service which freed up 1,100 Marines.

Additional initiatives underway or planned are listed as an endnote to this article.²

The Way Ahead

Future success of the Marine Corps depends on how well we fight the resource allocation deep battle by improving business processes. Not only will we need to compete with other public sector demands, particularly Social Security and health care, but we will also be competing with the need to modernize the vessels we move on and that provide some of the firepower we depend upon. These pressures on the budget will create dramatically greater challenges for resource managers who are focusing on the cost of 2015 MAGTF capabilities. The CMC has set the course, and the MROC has provided the necessary decisions to organize us for battle. Using the tools at our disposal we have demonstrated that whenever Marines and civilian Marines boldly and aggressively turn their energies to improving performance and reducing cost, worthwhile and significant results will be achieved.

To be successful in one of the most challenging resource periods in our Corps' history, we must do four things.

- Be both effective and efficient.

- Deliberately embrace a set of business initiatives that will give us the best visibility of our cost and performance levels of business processes.

- Conduct end-to-end process analysis at all levels of the organization and use benchmarking and best practices to identify and implement every possible opportunity to realign resources to 2015 MAGTF capabilities.

- Significantly increase the investment we make to train our civilian Marines (who are the primary managers of our business processes).

This is an ongoing deep battle, driven strongly from the top down. Like most significant, worthwhile efforts it will require much hard work, ingenuity, and sustained investment of leadership, time, and money. There are neither "low-hanging fruit" nor "quick hits" left to be had. We will have to carefully govern our corporate effort to ensure that only the most promising improvements are initiated, that they are carefully managed and coordinated across functions, and that we monitor and

assess progress to ensure we achieve the expected results.

Finally, we must clearly recognize that business initiatives and the expected behaviors to achieve them are completely consistent with the Marine Corps culture and traditions. The concentration of our resources and leadership energy on the main objectives is an inherent Marine Corps leadership principle—in war or preparing for war. Business initiatives ensure concentration of means toward the end of MAGTF combat capability. The people and activities of the Marine Corps business enterprise ensure that support is provided to the warfighter at the right time, in the right quantity, and in the right place *while consuming the minimum resources possible*. Now and in the future, all who support the warfighter—our Marines, civilian Marines, and contract partners—must be alert to the cost of their support and work tirelessly to maintain or improve the performance at reduced cost in order to free up the resources we need to man and equip the 2015 MAGTF.

Notes

1. MROC decisions on business enterprise. MROC Decision Memorandum 45-2003 (DM 45-2003) (9 May 2003) directed the use of standard, activity-based information in the resource allocation process across the Marine Corps and increased the role of program sponsors at Headquarters Marine Corps for establishing performance measures and conducting POM analysis.

MROC DM 50-2003 (1 July 2003) established the MCBE Office in I&L to coordinate business transformational initiatives and directed the development of a Marine Corps business strategic plan to clarify MCBE goals needed to guide and align business transformation.

MROC DM 06-2004 (15 December 2003) established a goal to realign 900 Marines to the Operating Forces using A-76 competitive sourcing to achieve savings necessary to do so. CMC reviewed the decision and directed continued analysis in order to free up a total of 4,200 Marines that were identified as filling billets that do not require military skills.

MROC DM 27-2004 (12 April 2004) recommitted to *Naval Power 21* (Sea Enterprise) goals, reiterated the MCBE mission, directed end-to-end business process improvements to achieve needed efficiencies without compromising readiness, directed clear identification

of 2015 MAGTF capabilities and the cost to achieve them, and directed a CMC White Letter be drafted and POM guidance released to establish the way ahead.

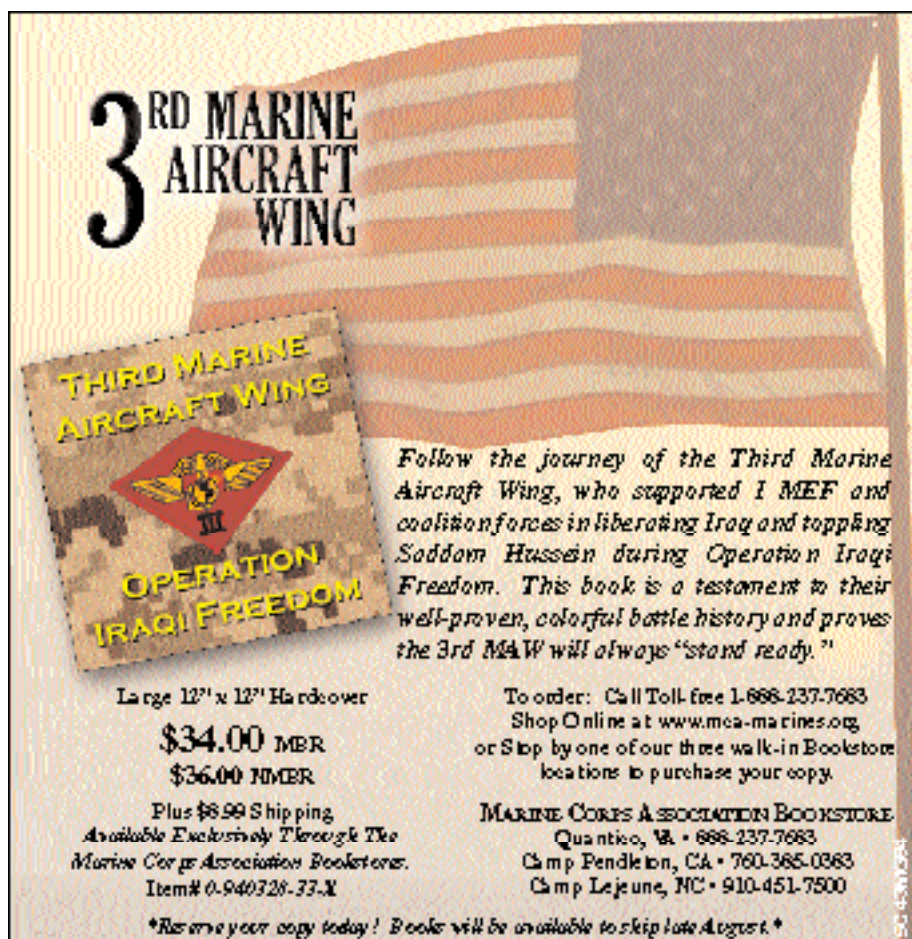
2. Additional initiatives underway or planned. Business transformation initiatives that directly support warfighting needs include logistics modernization to provide 21st century resource distribution to the warfighter; Navy/Marine Corps logistics integration to improve capabilities and reduce workload afloat and ashore; integration of tactical air with the Navy; standard procurement system; pure pallet initiative; restructuring/creating new intelligence units and realignment of intelligence skills; facility sustainment, restoration, and modernization to ensure minimum standards for our infrastructure; consolidation processes in the fourth/fifth elements of the MAGTF in order to provide that support without dedicating unnecessary means; reengineer installation command and control to clarify command channels and to ensure focus of finite warfighting leadership on operational imperatives; environmental compliance initiatives to protect training space; regionalization of garrison food service; outsourcing of garrison food service in order to free up Marines and provide a standard service level across the Corps; divesting base supply functions to private sector or General Services Administration to get Marines out of work that does not require military skills; fleet anywhere; and encroachment partnering.

Business transformation initiatives that indirectly support the warfighter include implementation of web-based receipt and invoicing to get our vendors paid more quickly and save interest penalties; garrison food services to provide standard, quality food service without tying up Marines to do it; quality improvements in housing through privatization; improvement in water treatment facilities to protect the environment; implementation of the Marine Corps Enterprise Information Technology Services to better manage information; implementation of the total force system and the total force administration system to streamline management of structure; implementation of installation personnel administration centers to provide better, more standard service at less cost; implementation of the consolidated law enforcement operations center; C⁴ training and education center of excellence; Marine Corps enterprise content delivery network; activity-based cost management on installations to improve processes and free up resources; and competitive sourcing to identify the best provider of noncore commercial services.

US  MC

>LtGen Kelly is the DC I&L.

>>SES-1 Clifton is the Director, MCBE.



3RD MARINE AIRCRAFT WING

THIRD MARINE AIRCRAFT WING

OPERATION IRAQI FREEDOM

Follow the journey of the Third Marine Aircraft Wing, who supported I MEF and coalition forces in liberating Iraq and toppling Saddam Hussein during Operation Iraqi Freedom. This book is a testament to their well-proven, colorful battle history and proves the 3rd MAW will always "stand ready."

Large 12" x 12" Hardcover
\$34.00 MBR
\$36.00 NMBR
 Plus \$8.99 Shipping
 Available Exclusively Through The
 Marine Corps Association Bookstore.
 Item# 0-940328-33-X

To order: Call Toll-free 1-888-237-7683
 Shop Online at www.mca-marines.org
 or Stop by one of our three walk-in Bookstore locations to purchase your copy.

MARINE CORPS ASSOCIATION BOOKSTORE
 Quantico, VA • 888-237-7683
 Camp Pendleton, CA • 760-365-0363
 Camp Lejeune, NC • 910-451-7500

Reserve your copy today! Books will be available to ship late August.